

Assembly Bill No. 65

CHAPTER 265

An act to add Part 6.7 (commencing with Section 22959.90) to Division 5 of Title 2 of the Government Code, relating to public employee health benefits, and making an appropriation therefor.

[Approved by Governor October 11, 2009. Filed with
Secretary of State October 11, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

AB 65, Hayashi. Public employee health benefits: vision care: local, school, and university members.

Existing law establishes the Vision Care Program for State Annuitants, which is administered by the Department of Personnel Administration, and creates the Vision Care Program for State Annuitants Fund in the State Treasury, which is continuously appropriated, for expenditure solely for the provision of vision care benefits to state annuitants.

This bill would establish a similar vision care program for specified local members, school members, and university members, and their dependents to be known as the Retired Public Employees Vision Care Program. The bill would require the Board of Administration of the Public Employees' Retirement System, on or before January 1, 2011, to administer the program, and would create the Retired Public Employees Vision Care Program Fund, which would be continuously appropriated for those purposes. The bill would also require the board to terminate the program upon a specified circumstance.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Part 6.7 (commencing with Section 22959.90) is added to Division 5 of Title 2 of the Government Code, to read:

PART 6.7. RETIRED PUBLIC EMPLOYEES VISION CARE PROGRAM

22959.90. This part shall be known and may be cited as the Retired Public Employees Vision Care Program. The purpose of this part is to do all of the following:

(a) Promote increased economy and efficiency in the provision of vision care benefits to retired members of public agencies, schools, and the university system.

(b) Enable the public agencies, schools, and the university system, when those entities provide retirement benefits to their annuitants through the Public Employees' Retirement System, to use economies of scale to provide a vision care plan for their employees that is similar to those commonly provided to State of California employees, annuitants, and private industry, and as may be provided in other states.

(c) Promote and preserve continued good health among members of public agencies, schools, and the university system.

22959.91. The Retired Public Employees Vision Care Program shall be administered by the board or its designees.

22959.92. For purposes of this part, the following definitions apply:

(a) "Annuitant" means any of the following:

(1) A person who has retired from an employer described in subdivision (c) and receives a retirement allowance from the Public Employees' Retirement System.

(2) A surviving family member receiving an allowance in place of an annuitant who has retired as provided in paragraph (1), or as the survivor of a deceased employee under Section 21541, 21546, or 21547.7.

(b) "Board" means the Board of Administration of the Public Employees' Retirement System.

(c) "Employer" means an employer described in Section 20022, 20063, or 20071.

(d) "Family member" means any of the following:

(1) An annuitant's spouse or domestic partner.

(2) Any unmarried child, including an adopted child, a stepchild, or recognized natural child under 23 years of age who is economically dependent upon the annuitant, when there exists a parent-child relationship with the annuitant.

(3) An unmarried child who at the time of attaining 23 years of age is incapable of self-support because of physical or mental disability that existed continuously from a date prior to attainment of 23 years of age, and who continues in family member status until termination of that status.

22959.93. (a) An annuitant or eligible family member may enroll in a vision care plan offered under this part.

(b) The board has no duty to locate or notify any annuitant who may be eligible to enroll, or to provide names or addresses to any person, agency, or entity for the purpose of notifying any annuitant.

22959.96. (a) The board may, without compliance with any provisions of law relating to competitive bidding, contract with one or more vision care plans for annuitants and eligible family members, provided each vision care plan carrier has operated successfully in the area of vision care benefits for a reasonable period, as determined by the board.

(b) The board, as the program administrator, has full administrative authority over this program and associated funds and shall require the monthly premium to be paid by the annuitant for the vision care plan. The premium to be paid by the annuitant may be deducted from his or her monthly allowance. If the annuitant's monthly allowance is insufficient to

cover the full premium, the annuitant shall be responsible for paying the required balance directly to the vision care plan carrier.

(c) A vision care plan or plans provided under this authority shall be funded by the annuitant's premium. All premiums received from annuitants shall be deposited in the Retired Public Employees Vision Care Program Fund, which is hereby created in the State Treasury. Any income earned on the moneys in the Retired Public Employees Vision Care Program Fund shall be credited to the fund. Notwithstanding Section 13340 of the Government Code, moneys in the fund are hereby continuously appropriated for the purposes specified in subdivision (d).

(d) The board shall have the exclusive control of the administration and investment of the Retired Public Employees Vision Care Program Fund.

(e) An annuitant may enroll in a vision care plan provided by a carrier that also provides a health benefit plan if the annuitant is also enrolled in the health benefit plan provided by that carrier. However, nothing in this section may be construed to require an annuitant to enroll in a vision care plan and a health benefit plan provided by the same carrier. An annuitant enrolled in this program shall only enroll in a vision plan or plans contracted for by the board.

(f) No contract for a vision care plan may be entered into unless the board determines it is reasonable to do so, and any contract shall take effect only if funds have been made available to cover the startup costs of the program. Notwithstanding any other provision of law, any premium moneys paid into this program by annuitants for the purposes of the member vision care plan that is contracted for shall be used for the cost of providing vision care benefits to eligible, enrolled annuitants and their eligible and enrolled dependents, the payment of claims for those vision benefits, the cost of administration of the vision care plan or plans under this vision care program, and any reasonable cost or expense incurred by the board in connection with the startup of the program, those costs being determined by the board.

(g) If the board determines that it is not economically feasible to continue this program at any time after its commencement, the board may, upon written notice to enrollees and to the contracting plan or plans, terminate this program within a reasonable time. The notice of termination to the plan or plans shall be determined by the board. The notice to enrollees of the termination of the program shall commence no later than three months prior to the actual date of termination of the program.

(h) Premium rates for this program shall be determined by the board in conjunction with the contracted plan or plans and shall be considered separate from any active employee premium rates.

22959.97. On or before January 1, 2011, the board shall implement the Retired Public Employees Vision Care Program.